

Amendment of Purchase Order Number 6051147 to CIMA Canada Incorporated for Process and Electrical Condition Assessment Project 2 Upgrades Project at the North Toronto Treatment Plant

Date: March 12, 2024

To: General Government Committee

From: Chief Engineer and Executive Director, Engineering and Construction Services and Chief Procurement Officer, Purchasing and Materials Management

Wards: 15 (Don Valley West)

SUMMARY

The purpose of this report is to request authority to amend Purchase Order Number 6051147 issued to CIMA Canada Incorporated to provide Contract Administration Services for the Process and Electrical Condition Assessment Project 2, Upgrades at the North Toronto Treatment Plant awarded under Request for Proposal 9117-17-7131.

The second amendment is needed for additional services resulting from an extension to the construction completion date and includes a contingency allowance should the work be further delayed due to any unforeseen construction issues, which may arise through to project completion.

The total value of the Purchase Order Amendment being requested is \$609,608 net of all applicable taxes and charges (\$620,337 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$2,378,949 net of all applicable taxes and charges (\$2,420,819 net of Harmonized Sales Tax recoveries) to \$2,988,557 net of all applicable taxes and charges (\$3,041,156 net of Harmonized Sales Tax recoveries).

RECOMMENDATIONS

The Chief Engineer and Executive Director, Engineering and Construction Services and the Chief Procurement Officer, Purchasing and Materials Management, recommend that:

1. The General Government Committee, in accordance with Section 71-11.1. C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grants authority to amend the Purchase Order Number 6051147 with CIMA Canada Incorporated for providing Professional Services during Construction in the amount of \$609,608 net of all applicable taxes and charges (\$620,337 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$2,378,949 net of all applicable taxes and charges (\$2,420,819 net of Harmonized Sales Tax recoveries) to \$2,988,557 net of all applicable taxes and charges (\$3,041,156 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the Purchase Order amendment is \$620,337 net of HST recovery. This will increase the Purchase Order value from \$2,378,949 net of all applicable taxes and charges (\$2,420,81 net of Harmonized Sales Tax recoveries) to \$2,988,557 net of all applicable taxes and charges (\$3,041,156 net of Harmonized Sales Tax recoveries).

Funding for this contract is included in the 2024-2033 Approved Capital Budget and Capital Plan for Toronto Water Division. The reduction of Purchase Order 6051742 in the identified account results in funds being available to amend Purchase Order 6051147. These Purchase Order Amendment will result in zero net impact on the overall Toronto Water Capital Budget Program.

Funding details are summarized in Table 1 below (net of Harmonized Sales Tax recoveries):

Projected Cash Flow of Purchase Order amendment for delivering Professional Services during Construction for Construction Contract 19ECS-MI-01NT.

Table 1: (Purchase Order Amendment 6051147)

WBS Element	Date of Amendment to December 31, 2024	Total
CWW046-04	\$620,337	\$620,337

The Chief Financial Officer and Treasurer has received this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting held on September 27, 2017, the Bid Award Panel adopted the recommendations in the staff report from the Director of Purchasing and Materials Management dated September 06, 2017, and authorized the retention of CIMA Canada Incorporated to provide Engineering services during design and construction for the Process Upgrades project at the North Toronto Treatment Plant. The Process Upgrades scope included the replacement of aging process infrastructure and testing out

innovative aeration technologies for energy consumption and enhanced treatment. A link to the related Bid Award Panel decision is provided below.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA42.2>

At its meeting held on January 11, 2021, the Infrastructure and Environment Committee adopted the recommendations in the staff report from the Chief Engineer and Executive Director, Engineering and Construction Services and Chief Procurement Officer, Purchasing and Materials Management on Award of Contract Number 19ECS-MI-01NT for the Process and Electrical Condition Assessment Project Upgrades at the North Toronto Treatment Plant and Amendment to Purchase Order Number 6051147 for Services during Construction. A link to the related Infrastructure and Environment Committee decision is provided below.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.IE19.2>

COMMENTS

Background

The North Toronto Treatment Plant, originally constructed in 1929, is the smallest of the City's four wastewater treatment plants. The facility was constructed to treat a rated capacity of 45.5 mega litres per day but due to its age and technical limitations, has been operated at less than half this capacity for many years. The primary goal of the project is to restore the treatment capacity of the plant to its rated capacity of 45.5 mega litres per day and to replace the aging process, electrical and control infrastructure.

The construction project was awarded on January 11, 2021, to Bennett Mechanical Installations (2001) Limited, and the Award Report approved an amendment of the Purchase Order for Engineering Services for CIMA Canada Incorporated, to add funding for additional scope incorporated into the tendered construction project that was transferred from another Toronto Water project.

Construction commenced on February 16, 2021, with a planned substantial completion date of February 29, 2024. Overall, the construction schedule has progressed satisfactorily, and approximately 85 percent of the base scope has been delivered.

The consultant, in collaboration with the City staff, has proactively managed schedule disruptions, prioritizing critical path items whenever feasible. However, some challenges arose where alternative solutions to mitigate schedule delays were not feasible.

In July 2022, the contractor submitted a request for a contract time extension due to delays associated with the instrumentation and control compliance issues during the commissioning of Blower 1301. Following assessment, a non-compensable time extension was granted, revising the substantial completion date to April 22, 2024.

In December 2023, the contractor submitted another time extension request for an additional 150 calendar days, resulting in a revised substantial completion date of

September 5, 2024. The additional time was attributed to delays caused by Toronto Hydro, an existing leaking 900mm underground effluent pipe that hindered the project progress and the requirement of additional concrete repairs preceding the installation of new Remote Processing Units.

The consultant reviewed the contractor's schedule extension request and acknowledged the necessity of extra time to complete the remaining tasks for the project. This contract extension would result in a total of 33 weeks of additional construction time from the original completion date.

To accommodate the extended duration of the construction and to ensure necessary contract administration services during the extended period, the consultant requested approval for additional fees in the amount of \$410,552, net of all applicable taxes and charges.

The project is nearing completion and the project team identified some of the available contingency amounts in the construction contract that would become surplus to the requirements for the project. The construction contract Purchase Order 6051742 has been reduced, resulting in funds being available in the Toronto Water Capital budget to be able to amend Purchase Order 6051147 with necessary additional funds. These Purchase Order Amendments will result in zero net impact on the overall Toronto Water Capital Budget Program.

Amendment for Purchase Order Number 6051147 for Contract Administration Services:

CIMA Canada Incorporated submitted a Request for Change quotation, for \$410,552 net of all taxes and charges for the provision of additional services resulting from an extension to the current estimated construction completion date of October 2024 for the reasons noted above. These fees are based upon the weekly rate from the original Proposal, with an allowable escalation as per the terms of the Consultant Agreement.

A contingency allowance of \$199,056 net of all taxes and charges is also being recommended to provide for contract administration services should the construction contract be further extended.

The total Purchase Order Amendment being requested is \$609,608 net of all taxes and charges, which will increase the value of Purchase Order Number 6051147 from \$2,378,949 to \$2,988,557, net of all applicable taxes and charges.

CONTACT

Simon Hopton, P. Eng. Director, Major Infrastructure, Engineering and Construction Services, Telephone: 416-395-6270, Email: Simon.Hopton@toronto.ca

Marie Reid, Manager, Purchasing Client Services, Infrastructure and Development Services, Purchasing and Materials Management, Telephone: 416- 397-5187, Email: Marie.Reid@toronto.ca

SIGNATURE

Jennifer Graham Harkness., P. Eng.
Chief Engineer and Executive Director, Engineering and Construction Services

Genevieve Sharkey
Chief Procurement Officer, Purchasing and Materials Management